(b) RBI has not issued any notification relating to modification or withdrawal of any specific series of currency notes during the last three years

(c) Does not arise

(d) The Government has taken a number of steps to stop circulation of fake currency notes which include stepping up of vigilance by the Border Security Force/Customs Authorities, setting up of a special unit in the Central Bureau of Investigation exclusively for investigation of counterfeit currency notes, incorporation of special security features in high denomination notes, extensive awareness campaigns by RBI through electronic and print media to publicise the features of genuine currency notes, regular imparting of training to Government officers on identification of fake notes, provision of suitable equipment in banks for detecting counterfeit notes etc

(e) It is not feasible to estimate the exact volume of fake currency in circulation However, data relating to recovery of fake notes by banks and seizures by the law enforcement authorities suggest that the volume of fake currency is miniscule as compared to the genuine notes in circulation

(f) Circulation of counterfeit currency is a criminal offence under the Indian Penal Code and action on its prevention, detection and prosecution is taken by the State Police Authorities/law enforcement agencies as per law

Home loan fraud cases

2172 SHRIMATI VANGA GEETHA Will the Minister of FINANCE be pleased to state

(a) whether several home loan frauds have been reported in banks recently,

(b) if so, the details thereof, and

(c) the steps taken to co-ordinate among all banks and registrar's office to counter the menace of frauds in home loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S S PALANIMANICKAM) (a) Yes, Sir

(b) According to the information furnished by the Reserve Bank of India, the details of fraud in home loans involving amount of Rs One crore

and above during the last three years are as under:

Calender Year	No. of frauds	Amount in crore
2002	3	8.24
2003	7	35.34
2004 (up to June)	1	5.81

The modus operandi observed in the fraud cases involved one or more of the following methods:

- The same property was offered as security to different banks by submitting fake title deeds.
- The properties, which were mortgaged to the banks, were found to be fictitious/non existent.
- Loans were granted to persons without verifying their whereabouts/ details. Such persons were subsequently found to be non-existent.
- The documents such as title deeds, income tax returns, salary certificates etc. submitted for availing the loans were found to be fake/fictitious.
- The Chartered Accountants who had issued/verified the documents were found to be fake/non-existent themselves
- In a number of fraud cases, the builders/developers had defrauded the banks by pocketing the housing loans which they managed to obtain in the names of fictitious persons by submitting forged documents

(c) The steps initiated by RBI to counter the menance of frauds in home loans are given below:

(i) RBI requested all State Governments to computerize land records in the sub-Registrar's office to check/avoid multiple charges. State Governments were also requested for setting up a "Control Registry" which would enable lending institutions to check the charges on the property/valid title on the property at the Government/Registration Office.

(ii) All fraud cases involving amounts of Rupees one crore and above are followed up by Fraud Monitoring Cell, of RBI. Caution advices in respect of builders/unscrupulous borrowers availing home loans are issued on receipt of such fraud reports from banks.

(iii) Fraud involving amounts of Rs one lakh and above and upto Rs. one crore are monitored by Regional Offices of RBI.

(iv) Frauds below Rs one lakh are reported by commercial banks in a consolidated manner to RBI at quarterly intervals

(v) RBI has advised banks to carry out field level inspections at branches having large exposure in home loans

(vi) The bank officials are called for discussions at Department of Banking Supervision (DBS) of RBI on the issues relating to frauds to impress upon them the need for preventive steps to be taken for minimizing frauds in housing loans

(vii) Wherever necessary, the banks have also lodged complaints with Police/CBI/Criminal complaints in court of law in the cases of fraud to deter people and employees from indulging in fraudulent activities

Double Taxation Avoidance Treaty

2173 SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE be pleased to state

(a) whether it is a fact that India and Mauritius discussed the Double Taxation Avoidance Treaty recently in the light of abolition of long-term capital gains tax, and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S S PALANIMANICKAM) (a) No, Sir However, Double Taxation Avoidance Convention (DTAC) between India & Mauritius did figure during the course of discussions in the meeting held at New Delhi on 19.07 2004 between Shri K C Khushiram, Minister of Industry, Finanancial Services and Corporate Affairs of Mauritius and the Finance Minister of India

(b) The Mauritian Minister apprised the Finance Minister about the developments in the Financial Services Sector of Mauritius and the steps taken to strengthen that sector in Mauritius He informed the Finance Minister that the regulatory regime in this behalf had been strengthened The Mauritian Minister also mentioned that the provisions of the existing Indo-Mauritius Double Taxation Avoidance Convention (DTAC) should be observed.